

# Germany: Former union official at Porsche cashes in with €500,000 annual salary

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Anyone left confused by the out-of-touch speculation among Germany's political parties and mainstream media over the reasons for the succession of electoral defeats for the Social Democrats (SPD) should look to the state of Baden-Württemberg. The trajectory of Uwe Hück, a former works council chair at Porsche and an SPD politician, sharply exposes the true character of the SPD and their trade union allies, and the real reason for the SPD's decline.

Hück, who surprisingly left Porsche in February after 35 years and became a local SPD politician, blustered in town squares during the election campaign about hopes for young people, and values like respect, decency and consideration for others while at the same time serving as an appendage of Porsche, as he has done for years.

Late last month, it was revealed that 176 officers from the public prosecutor's office, tax authorities, and state criminal police in Baden-Württemberg searched a number of facilities belonging to the Volkswagen subsidiary Porsche, including the office of Porsche chief executive Oliver Blume, and Hück's apartment in the city of Pforzheim.

The public prosecutor in Stuttgart is investigating tax evasion, embezzlement and breaches of confidentiality. According to the allegation, an official from the corporate tax review office in Stuttgart divulged secret information to a tax adviser at Porsche during a review of the business. In exchange, his daughter allegedly got a job at Porsche.

In addition, the public prosecutor suspects that Hück was paid an unusually high income. Media reports have speculated about an annual salary of half a million euros, which would equate to more than €40,000 per month. The fact that Hück not only had his own sports car, but also used the services of a personal driver, is also playing a role in the investigation, according to the public prosecutor. The *Frankfurter Allgemeine Zeitung* reported shortly after Hück's departure from Porsche that he was forced to pay €7,500 in overdue taxes because a Porsche employee had driven him to private appointments.

Five Porsche managers and other leading officials, as well as the tax adviser, are now suspected of committing offences, including embezzlement and tax evasion, by authorising the payments to Hück. Also among the suspects, which include chief executive Blume, are finance director Lutz Meschke and

human resources director Andreas Haffner. According to a former manager, the latter was responsible for the works council chairman's pay.

Hück is not among the accused. The public prosecutor is not concerned whether Hück was paid off, but only whether the payments caused losses to state coffers and the company's shareholders. Hück told the *Pforzheimer Zeitung* that there was nothing untoward about his wages. Porsche chief executive Blume stated that the company had previously investigated the allowable amount of pay for a works council chairman. Porsche justified the wages paid to former works council chair Uwe Hück on several occasions, he added.

According to the law, works councillors should neither be disadvantaged nor receive favourable treatment after they are exempted from their usual professional obligations to serve full-time on the works council. Their wages must therefore be adjusted to reflect their anticipated career development. Hück began working at Porsche in 1985 as a painter, before becoming a works councillor in 1990 and a full-time works councillor in 1994. Three years later, he became chair of the works council for the locations of Zuffenhausen and Ludwigsburg, before being elected in 2002 as chairman of the company's central works council. Hück became a member of the Porsche supervisory board in 1998. In 2007, he became deputy chairman of the supervisory board for Porsche Automobile Holdings SE, before assuming the same position on the main company's supervisory board in 2010.

Hück's development bears similarities to the works council chairman at Volkswagen, Bernd Osterloh. Osterloh received an annual salary of €750,000. The human resources director in this case, who in the auto industry typically obtains a multi-million-euro job following a career in the IG Metall trade union, was also accused of embezzlement. In the course of the investigations into the company, Osterloh's wages were rapidly cut to under €100,000 per year, much to his disappointment. After an adjustment by the labour court, he now earns more than twice as much.

Hück allegedly received wages of between €400,000 and €500,000 for many years. His sudden departure from Porsche was thus all the more remarkable. Even though the former influential man at Porsche undoubtedly negotiated a large

golden handshake, the 56-year-old would have given up several million euros in future wages.

The official line was that Hück wanted to enter politics. In March, the *Bild am Sonntag* newspaper speculated as to whether his departure was linked to an internal investigation at Porsche. The internal review was examining alleged bribes paid to works councillors by workers employed on temporary contracts, who sought in this way to obtain one of the highly sought-after permanent posts. According to *Bild*, leading personnel were aware of this scheme.

Porsche and Hück denied all such accusations. The transition from temporary employee status to a permanent position is regulated in a legally approved business agreement, it was claimed.

Hück left Porsche and announced his intention to run in the upcoming municipal council elections, but not on the list of the SPD, which he has been a member of since 1982. Instead, he said he wanted to create his own list. "Pforzheim is in just as sorry a state as Porsche was when I became a works councillor," he boasted. His friend Sigmar Gabriel, former chairman of the SPD and former foreign minister, convinced him not to create his own list.

Hück thus threw himself into the SPD's election campaign, with his typical loud-mouthed demagoguery familiar from Porsche. The millionaire gave his election office the grand title of "revolutionary office." He said he wanted to shock the Alternative for Germany (AfD) in its stronghold of Pforzheim.

Reporting on one of his election campaign appearances, the *Pforzheimer Kurier* noted that Hück loudly proclaimed, "We will leave Pforzheim as victors," into a microphone. Hück called for a "future for young people," "honest dealings with investors," an end to the "greed discussion" and an urgent ending of "parallel societies." Everyone must abide by Germany's Basic law, "regardless of where they come from."

The Pforzheim branch of the SPD declared its solidarity with the high-earner Hück. The investigation into unjustifiably high wage payments has no influence on the SPD's work in the city council and beyond, District Chairwoman Annkathrin Wulff told the *Stuttgarter Zeitung*. On the contrary, according to the *Pforzheimer Kurier*, the SPD was taken aback by the public prosecutor's use of such heavy-handed tactics, including the searching of Hück's home. One can imagine them telling themselves, it's only a matter of half a million euros in annual wages!

Hück's election campaign was not as successful as the SPD had hoped. He is extremely popular among the rich and powerful for his politics and biography. After growing up in a care home and winning the European championship twice as a professional Thai boxer, Hück created, during his rise through the ranks at Porsche, a foundation that supports disadvantaged children and young people. In 2017, German President Joachim Gauck awarded him the Order of Merit of the Federal Republic for his work.

At the same time, Hück supported the 2005 election campaign of Gerhard Schröder, immediately after Schröder as chancellor had enforced his widely hated Agenda 2010, including the Hartz social reforms, in the face of bitter opposition from the working class.

Preaching water while drinking wine. Voters in Pforzheim were obviously not inclined to accept him, his social engagement notwithstanding. In the election on May 26, he was elected as the SPD's lead candidate in the city of 127,000 residents onto the city council. But less than 45 percent of voters cast a ballot, even though the European elections took place on the same day. The SPD took 13.7 percent of the vote, less than the Christian Democrats and far-right Alternative for Germany (AfD).

Works councillors like Hück and Osterloh consider themselves as co-managers, draft the cost-cutting measures in the interests of shareholders, and impose them against the opposition of the workforce. "Constructive concepts" are called for, Hück claimed during the municipal election campaign.

This is presumably a reference to the constructive concepts he helped impose at Porsche. For example, at the end of 2015, he enforced multi-million-euro wage cuts at the company's main plant in Stuttgart-Zuffenhausen and the nearby Weissach plant. Their purpose was allegedly to finance the building of the new Porsche electric vehicle. For nine years, until 2025, the workforce has to hand over 0.25 percent of the wage increase agreed in their contract each year. In total, this will supposedly result in savings of €128 million. In addition, new hires had their bonus payments cut. They now only receive the full payment in their fourth year.

It is for work like this that the works council bosses are paid so well and lauded by the political establishment. In 2010, Hück was one of the guests at the 60th birthday party of then IG Metall head Berthold Huber, which was celebrated in the German chancellor's office in Berlin. Following an invitation from Chancellor Angela Merkel, top CEOs like VW's Martin Winterkorn and trade union millionaires such as Hück rubbed shoulders during the festivities.



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